

Hearing Date: September 19, 2008 at 4:00 p.m.
Objection Deadline: September 19, 2008 at 4:00 p.m.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: :
LEHMAN BROTHERS HOLDINGS, INC., et al., : Case No. 08-13555 (JMP)
: :
Debtors. : (Jointly Administered)
: :
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**OBJECTION OF THE WHOLLY-OWNED SUBSIDIARIES OF VERIZON
COMMUNICATIONS INC. TO DEBTORS' CURE NOTICE**

The wholly-owned subsidiaries of Verizon Communications Inc.¹ (collectively, “Verizon”) hereby submit this Objection to the Cure Notice (the “Cure Notice”) posted online by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) at 1:07 a.m. on September 19, 2008, respecting certain executory contracts with Verizon. In support of this Objection, Verizon respectfully shows the Court as follows:²

¹ The wholly-owned subsidiaries of Verizon Communications Inc. include, without limitation, Verizon Services Corp., Verizon Network Integration Corp., Verizon Business Global LLC, Verizon Business Network Services Inc., Verizon Select Services Inc., MCI Communications Services, Inc. f/k/a MCI WorldCom Communications, Inc. and the operating telephone company subsidiaries of Verizon Communications Inc.

² Capitalized terms that are not otherwise defined in this Objection shall have the meanings ascribed to them in the Court’s Order (I) Approving The Break-Up Fee And Expense Reimbursement, (II) Certain Matters Relating To Competing Bids, If Any, (III) Approving The Form And Manner Of Sale Notices And (IV) Setting The Sale Hearing Date In Connection With The Sale Of Certain Of The Debtors’ Assets (the “Procedures Order”) entered on September 17, 2008.

1. Verizon currently provides various telecommunications and related services to the Debtors under various executory contracts, including that certain Global Services Agreement between Verizon and Debtor Lehman Brothers Holdings, Inc. (“LBHI”) originally dated on or about October 23, 2000 (as subsequently amended from time to time, the “GSA”).

2. Verizon is also a party to executory contracts with non-debtor affiliates and/or subsidiaries of LBHI, but as to which LBHI may be the entity responsible for payment of charges accruing to Verizon thereunder. (All contracts with the Debtors or for which LBHI may be responsible for payment, including the GSA, the “Verizon Contracts”).

3. In the Cure Notice posted online on September 19, 2006, the Debtors appear to indicate that the GSA and numerous other (and in many instances not clearly specified) Verizon Contracts are among the Closing Date Contracts to be assumed and assigned to the Purchaser effective on the Closing Date. It is not clear in the Cure Notice whether all of the Verizon Contracts are among the Closing Date Contracts to be assumed and assigned to the Purchaser effective on the Closing Date.

4. Verizon does not object to the assignment of the Verizon Contracts that appear to be included among the Closing Date Contracts to the Purchaser. Verizon does, however, object to the ambiguity with which the Debtors have identified the Verizon Contracts to be assumed, and to the Cure Amounts asserted by the Debtors in the Cure Notice with respect to the Verizon Contracts, which total only about \$350,000.00.

5. Simply put, the Verizon Contracts to be included among the Closing Date Contracts need to be identified with more specificity, so that Verizon, the Debtors and the Purchaser have a clear and consistent understanding of which contracts are being assumed and assigned in this instance.

6. Moreover, and although the Sale Motion is being heard on exceptionally short notice and Verizon's internal inquiry concerning amounts due under contracts with the Debtors is only preliminary at this point, Verizon currently believes, based on an initial review of its books and records, that the Debtors are obligated to pay not less than \$2,244,518.72 (the "Corrected Verizon Cure Amount")³ in order to cure existing payment defaults on the Verizon Contracts. (See Exhibit A attached hereto.)

7. Accordingly, pursuant to paragraph 12(c) of the Procedures Order, Verizon objects to the Cure Notice, requests that the Court require the Debtors to identify the Verizon Contracts to be included in the Closing Date Contracts with greater specificity, and requests that the Court require the Debtors and the Purchaser, jointly and severally, as a condition to assumption and assignment of the GSA and the other specified Verizon Contracts to the Purchaser under section 365(b)(1) of the Bankruptcy Code, to pay Verizon the Corrected Verizon Cure Amount in full, as set forth herein. In the alternative, Verizon requests that the Court schedule a hearing at a later date to address identification of the specific Verizon Contracts to be assumed and assigned to the Purchaser, and to adjudicate any remaining dispute between Verizon and the Debtors and/or the

³ Verizon reserves its right to amend the Corrected Verizon Cure Amount after further investigation of the extent of, and amounts due and unpaid under, executory contracts between Verizon and the Debtors.

Purchaser as to the Cure Amounts, and find that the Debtors and the Purchaser shall be jointly and severally liable for payment of such cure amount upon a final determination thereof by this Court.

WHEREFORE, Verizon respectfully requests that the Court (i) enter an order requiring the Debtors to identify the Verizon Contracts to be included in the Closing Date Contracts with greater specificity, and directing payment in full of the Corrected Verizon Cure Amount to Verizon on the Closing Date as a condition to the Debtors' assumption and assignment of the Verizon Contracts to the Purchaser; or in the alternative (ii) schedule a hearing at a later date to address identification of the specific Verizon Contracts to be assumed and assigned to the Purchaser, and to adjudicate any remaining dispute between Verizon and the Debtors and/or the Purchaser as to the Cure Amounts, and find that the Debtors and the Purchaser shall be jointly and severally liable for payment of such cure amount upon a final determination thereof by this Court; and (iii) grant Verizon such other and further relief as this Court may deem just and proper.

Dated: New York, New York
September 19, 2008

Respectfully submitted,

ARNALL GOLDEN GREGORY LLP

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Attorneys for the wholly-owned subsidiaries
of Verizon Communications Inc.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing OBJECTION OF THE WHOLLY-
OWNED SUBSIDIARIES OF VERIZON COMMUNICATIONS INC. TO DEBTORS' CURE
NOTICE by First Class Mail, and by e-mail as and where indicated, addressed as follows:

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This 19th day of September, 2008.

/s/ Frank N. White
Frank N. White